

BRIEFING DDA

RETIREMENT

I. HISTORY

- Agency study of two-plus years with external consultants
- Reform versus supplemental legislation
- Self-administration (security erosion - FECA, Medallions, FEGLI, Social Security, Retirement)
- Young vigorous workforce (age 50/55)
- Recognize and reward overseas service
- Equity for prior 84 and post 83 employees
- Management Tool
 - DCI place where needed
 - Retire when in interest of Agency
 - Adequate annuity
 - Hire for full career
- Agency legislation initiative (Legislation Book)
- Agreement with OMB - silence
- Roth/Stevens proposal (Attachment - Black Binder)
 - 1% versus 1.3%
 - No supplemental for CSRS types
 - No Option B
 - No coverage for FBIS TCNs
- Ford/Oakar proposal (Attachment - Black Binder)
- Durenberger Amendment
 - 1.3% accrual rate mentioned
 - Study of CIARDS
- DDCI and D/Pers meetings with Roth, Eagleton, Durenberger and Ford

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II. CURRENT STATUS OF SUPPLEMENTAL

- 30 April legislative deadline - 1 January 1987 effective date
- Difference in cost 21.9% (Senate) versus 25.5% (House) against 25% (Current CSRS)
- House - maintain age 55 with supplemental
- Senate wants its Thrift Plan
- Potential compromise - COLA
- Hustead - major issues likely resolved by 1 March
- Where is OMB (Stump Letter)
- SSCI (Nelson)
- HPSCI (Andrews)

III. ISSUES FOR SENATOR MATHIAS

- Management tool argument
- State Department versus the Agency
 - Swear in versus 5 years service
 - CSRS and CIARDS versus Foreign Service
- Self-administration
- 1.3% accrual rate (cost \$5 million)
- Age 55 with supplemental for CSRS
- CIARDS review - Durenberger Amendment